

FEBRUARY 2003

## Path 15 upgrade project moves forward

he Los Banos-Gates transmission upgrade in California, also known as the Path 15 Upgrade Project, has passed some key milestones to meet the goal of starting operation in 2004.

On Dec. 30, 2002, the project participants – Western Area Power Administration, Trans-Elect Inc. and Pacific Gas and Electric Co. – signed a Construction and Coordination Agreement. The agreement spells out project terms and participants' responsibilities, and provides for an additional \$8.5 million to Western from Trans-Elect in initial funding.

Next steps include continuing work on several agreements, selecting an engineering, procurement and construction contractor, and continuing discussions with land owners to secure the necessary easements.

Western will also complete a



number of environmental activities along the route this spring.

Project participants are developing the Coordinated Operations and Interconnection Agreement to interconnect the project with the existing PG&E electric system, as well as the Transmission Control Agreements and Transmission Owner Tariffs necessary to transfer operational control of the facilities to the ISO.

# Lands work resumes in Spring

estern has obtained initial right-of-entry from landowners to do some preliminary work such as surveying work and has finished an initial appraisal for the transmission line right-of way. Surveying and environmental work will resume in the spring. This includes cultural resource, paleontological and biological surveys.

Western will be contacting landowners to purchase right-ofway beginning in about February and expects to have contacted all landowners by the end of March.

For more information on the Lands activities, contact **Heidi Miller** at 916-353-4420 or **hmiller@wapa.gov**.

### Transmission studies confirm path rating

he Western Electricity
Coordinating Council
coordinates and promotes
electric system reliability in 14
Western states, two Canadian
provinces and portions of one
Mexican state. At the request of
Western, PG&E conducted Path 15
rating studies in accordance with
the WECC rating process.

The studies results show the planned 5,400-megawatt path rat-

# Engineering, Procurement and Construction contract out for bid

Western issued a solicitation for an Engineering, Procurement and Construction Contract for transmission line facilities on January 31. The solicitation can be obtained by submitting a fax or e-mail request referencing 03WN04081 to (916) 985-1933 (fax) or **Path15@wapa.gov**. Responses are due by 3 p.m., March 28, 2003.

Contract award will be announced in late May. The solicitation covers only the transmission line. PG&E will manage all the substation work necessary to interconnect the new line at the Los Banos and Gates substations.

# Path15 Upgrade Project overview

ath 15 is an 84-mile stretch of electrical transmission lines in the Central Valley connecting Southern California with the northern part of the state. Capacity in this area is insufficient to carry the necessary electricity load. Building a third transmission line and other upgrades will allow for an additional 1,500 megawatts (roughly enough to power 1.5 million households) of electric power to be transmitted across the state. Construction is scheduled to begin in mid 2003 with the line being energized in late 2004.

Western, as project manager, has a 10 percent project share and will own the transmission line. Trans-Elect is financing the 500-kV line and receives an estimated 72 percent project share based project costs. PG&E will do the substation work and have an 18 percent project share based on cost estimates.

Power customers will benefit from the project in several ways. The upgrade will improve reliability by increasing the capacity of the transmission path from about 3,900 MW to about 5,400 MW. When Northern California experienced rolling blackouts in 2001, there was generation avail-

able south of Path 15 that couldn't be delivered due to the constraints on Path 15.

"In addition to enhancing reliability, the Path 15 upgrade will create a more robust electrical market in the West by removing transmission constraints between southern and northern California," said Tom Boyko, Western's Path 15 Upgrade project manager.

### ▶ Project Timeline

Spring 2003 Continuing Lands and

environmental work

March 28, 2003 Engineering, Procurement and

Construction contract bids due

Fall 2003 Construction begins

**December 2004** Project online

## What people are saying about the project

I'm pleased that work on this important project to upgrade California's transmission system and reinforce our critical infrastructure is moving forward," said Energy Secretary Spencer Abraham. "Despite the news reports that California has enough electricity to get through the winter, Path 15 remains a bottleneck that limits power transfers in California.

—DOE news release, (Jan. 10, 2003)

The Energy Secretary commended the two agencies for the actions to support the transmission upgrade and Western Administrator Mike Hacskaylo congratulated employees for their efforts on the project. Employees at SNR and other Western offices have worked on different aspects of the project, from the agreements to environmental, lands and design work.

"You have all put together the project," Hacskaylo said. "Western can do things others can't and we've proved it here...We've proved that if you want to build transmission in the Western

United States there's someone you need to talk to, and that's Western."

—Closed Circuit, (June 28, 2002)

Moving forward on Path 15 will also serve as a model for mitigating transmission constraints in a timely fashion around the country," said Energy Secretary Spencer Abraham.

—DOE news release, (June 12, 2002)

# Project history

Path 15 upgrade initially was considered in the late 1980s as part of the California-Oregon Transmission Project, but was not constructed at that time. Since then, demand has increased and industry restructuring has affected the way power flows over the system.

The National Energy Policy, released in May 2001, recommended the Department of Energy take action to explore relieving the constraints on Path 15.

On May 28, 2001, U. S. Energy Secretary Spencer Abraham directed Western to complete the planning needed to relieve Path 15 constraints and determine whether investors would be interested in financing, constructing and owning the upgrades.

Western published a Federal Register Notice on June 13, 2001, requesting Statements of Interest in the project. Based on the response and subsequent discussions between Western and prospective participants, the Secretary made the decision to go forward with the project.

On July 3, 2002, Trans-Elect, which is providing most of the project funding, provided Western with \$1.5 million for

some initial project work. Western began work on the project in 2001 using \$1.328 million in appropriated funding.

On June 12, 2002, the Federal Energy Regulatory Commission approved a Letter of Agreement from the Path 15 Project participants that contains the general project terms and conditions. On June 25, the California Independent System Operator Board of Directors approved a Path 15 upgrade as a viable project. Based on that action, the project costs can be repaid through ISO transmission system usage charges.

Western published a Record of Decision in December 2001 for an environmental Supplement Analysis to satisfy National **Environmental Policy Act** requirements. On Jan. 28, 2003, Western's Administrator signed a Mitigation Action Plan that explains how measures designed to mitigate adverse environmental impacts associated with the course of action directed by the ROD will be planned and implemented. Western is consulting with the U.S. Fish and Wildlife Service on a biological assessment and continues to work with other agencies and Native American Tribes to address sitespecific resource issues.

#### Contact us

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You may also use the CONTACT US link to send a message from the Path 15 website http://www.wapa.gov/sn/forms/p15comment.asp

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ing, an incremental increase of 1,500 MW in the south-to-north direction, is achievable based on input from all interested WECC members. Based on the studies, Path 15 was granted an Accepted Rating of 5,400 MW in a south-to-north direction.

The studies showed the upgrade will also help by increasing the simultaneous import capabilities into the Pacific Northwest during the winter, and will not impact the operation of other WECC paths at their respective ratings.

### Want to learn more about the Path 15 upgrade proposal?

• Log on to our Web site: www.wapa.gov and click on "Path 15"

• Review background information at the public libraries in Los Banos and Coalinga

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